

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 682

Washington, D. C.

January 8, 1938

A.A.A. TO BUY CANNED PEAS

Surplus Commodities Corporation Will Consider Offers from Cannerymen Throughout Country

The Agricultural Adjustment Administration announced on January 7th that the Federal Surplus Commodities Corporation will purchase canned peas for distribution by State agencies to persons on relief. The announcement stated:

"The Corporation will make offer forms available to canners, probably before the end of next week. The Corporation will consider offers received from canners throughout the country. Cannerymen will be expected to specify prices, grades, can sizes, and quantities in the offers which they submit to the Corporation.

"The purchase program is designed to remove part of this year's record supply of canned peas from the normal channels of trade. It is expected to reduce the carryover into the next season and encourage better demand for peas grown in 1938 than might otherwise be expected.

"Prices of canned peas, No. 2 size cans, averaged approximately 91 cents per dozen in 1936-1937 and during the ten years 1925-1934 approximately \$1.00. The industry reports that present prices are 20 to 25 cents below these averages.

"The total supply of canned peas for 1937-1938 is slightly more than 26,300,000 cases. This is approximately 8 million cases above the 1930-1934 average and 5 million cases above the 1925-1929 average."

Commenting on the proposal, F. R. Wilcox, Director of the Division of Marketing and Marketing Agreements, said:

"Total disappearance for the current season is expected to approximate 21 million cases, leaving a carryover of something more than 5 million cases. The largest total disappearance to date occurred in 1935-1936 and amounted to 20,500,000 cases. The purchase program is expected to reduce the supplies carried into the 1938-1939 season. Growers may thus expect better prices in 1938 than they might receive if purchases were not made.

Another Broadcast on Canning

Dramatic versions of the stories of various inventions that have marked the remarkable progress of the canning industry will be broadcast on the Department of Commerce program "Stories of Industry" Saturday, January 15, 1938, over the coast-to-coast network of the Columbia Broadcasting System and short wave stations W2XE New York and W3XAU Philadelphia, from 5:00 to 5:30 p. m., Eastern Standard Time.

Harry R. Daniel, as narrator, will tell the story of the vast importance and the tremendous growth of the industry, dating back from its earliest days to the present time. The dramatic episodes will be presented under the direction of the United States Office of Education.

The Business Advisory Council will, as usual, have a guest speaker on the program. He will be Mr. R. R. Deupree,

president of the Procter and Gamble Company. His subject will be "Uncle Sam, Industry, and the Home." Another distinctive feature of the program will be the musical number given by the famous Columbia Symphony Orchestra.

This program will be the second of the new series, which will continue each week until April 2nd.

Dr. Carothers to Speak at Convention

The Association is now able to announce that Dr. Neil Carothers, Director of the College of Business Administration of Lehigh University, Bethlehem, Pennsylvania, and an economist of national reputation, will address the second session of the annual convention in Chicago, Monday afternoon, January 23rd. Other speakers at this session, as announced in last week's INFORMATION LETTER, will be Solicitor General Stanley F. Reed of the Department of Justice, and Senator Millard E. Tydings of Maryland.

CONGRESS SUMMARY

Conferees Working on Farm and Housing Bills—House Starts on Appropriations

With the convening of Congress on Monday, January 3rd, and the receipt of the President's annual message, the conference committees on the agricultural relief and housing bills started daily deliberations. The Senate, on Wednesday, passed a 1938 crop loan bill and then for the third time the present Congress opened debate on the anti-lynching bill. The House having received the President's budget recommendations Wednesday, took up the independent offices appropriation bill on Thursday, assuring its passage within a week.

The House Labor Committee has tentatively set Wednesday, January 12, as the date for its first meeting since the recommitment of the labor standards bill. The meeting will be held for the purpose of a general discussion of wage and hour legislation.

House consideration of the Wheeler-Lea bill to amend the Federal Trade Commission Act (S. 1077), which had been set for Wednesday, was postponed until January 12th, the next day under the House rules for a call of the calendar. It will be recalled that the House Committee on Interstate and Foreign Commerce, in reporting the bill which would make unfair or deceptive acts and practices in commerce unlawful, inserted language that would place the control of food and drug advertising in the Federal Trade Commission. One of the principal points of difference between the House and Senate over food and drug legislation last Congress was whether the Food and Drug Administration or the Federal Trade Commission should be given such control. It is expected that

the House Committee will proceed with consideration of food and drug legislation shortly after the House has disposed of the Wheeler-Lea bill.

Considerable interest having been shown in the new and modified O'Mahoney-Borah licensing bill, it is expected that a date for open hearing on the bill will be announced by Senator O'Mahoney within a short time.

Late in the special session Representative Hill of Washington introduced a bill to remove apples from the products that are exempted from the imposed control provisions of the Marketing Agreements Act of 1937. This law, which was passed last spring, reenacted the marketing agreement provisions of the Agricultural Adjustment Act. There is still pending on the Senate Calendar a bill passed by the House which would eliminate the exemption for hops. It will be remembered that honeybees were placed under the control sections of the law last spring after an attempt had been made in the House and Senate to remove the canning crops exemption entirely. The bills to remove the canning crops exemption proposed by Senators McAdoo and Johnson of California and Bone of Washington, which were defeated when offered as a Committee amendment to the reenacting bill, are still before the Senate Agricultural Committee.

BROKERAGE DECISION

Order Issued in Oliver Case Similar to That in Biddle Proceedings

The payment of brokerage fees to purchasing organizations which act as agents for the buyers in making purchases and then pass on to the buyers the brokerage payments received from the seller, was again declared unlawful under the Robinson-Patman Act in a decision rendered by the Federal Trade Commission on December 31, 1937.

The Commission had under consideration a complaint against Oliver Brothers, Inc., a corporation engaged in selling a market information service and purchasing services to wholesalers in the automobile, electrical, and hardware supply business. This company acts as purchasing agent for various wholesalers who utilize its services, and places orders in behalf of these buyers with various sellers throughout the country. The sellers pay brokerage fees to Oliver Brothers, Inc., and the Commission found that Oliver Brothers, Inc. in turn passes these brokerage fees on to its clients on whose behalf the purchases were made. The Commission determined that Oliver Brothers, Inc., was in fact an agent for the buyer, and concluded that the payment of brokerage violated the brokerage provisions of the Robinson-Patman Act. It issued a cease and desist order prohibiting Oliver Brothers, Inc., from receiving any brokerage fees which were intended to be paid over to the purchaser of the commodities.

The plan of organization of Oliver Brothers, Inc., is quite similar to that utilized by the Biddle Purchasing Company at the time proceedings against that Company were instituted by the Federal Trade Commission last year. In issuing its findings of fact and conclusions in the case of Oliver Brothers, Inc., the Commission used language almost identical with that employed in the Biddle decision, and its order to cease and desist is in substantially identical terms.

Trade Practice Rules Promulgated

Trade practice rules for the popular priced dress manufacturing industry, the toilet brush manufacturing industry, and the house dress and wash frock manufacturing industry have been promulgated by the Federal Trade Commission.

The Label and What It Represents

For use in a program on consumer relations sponsored by the Woman's Home Companion, the Association's Home Economics Division has prepared a leaflet entitled "The Canned Food Label and What It Represents", a copy of which is mailed with this week's INFORMATION LETTER. This is one of a series of leaflets covering various industries and products which will be used in the magazine's work under the direction of Mrs. Anna Steese Richardson, who heads the Consumer Division of the Woman's Home Companion.

Canners who desire additional copies of the leaflet may obtain them upon application to the Association.

Forecast of Freight Movement

Freight car loadings in the first quarter of 1938 are expected to be about 8.3 per cent below actual loadings in the same quarter in 1937, according to estimates compiled by the thirteen Shippers' Regional Advisory Boards. On the basis of these estimates, freight car loadings of the twenty-nine principal commodities will be 5,084,476 cars in the first quarter of 1938, compared with 5,543,299 actual car loadings for the same commodities in the corresponding period last year.

Estimated loadings of canned goods (all canned food products, including catsup, jams, jellies, olives, pickles, preserves, etc.) are 44,706 cars as compared with actual loadings of 44,852 cars in the corresponding period of 1937, a decrease of three-tenths of 1 per cent.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

	Week ending—			Season total to —	
	Jan. 1 1937	Jan. 1 1938	Dec. 25 1937	Jan. 1 1937	Jan. 1 1938
VEGETABLES					
Beans, snap and lima	219	192	173	2,875	1,782
Tomatoes.....	207	211	108	1,307	1,023
Green peas.....	92	62	36	8,563	8,058
Spinach.....	240	164	138	2,002	1,434
Others:					
Domestic, compet-					
ing directly.....	2,710	3,110	2,839	72,272	72,796
Imports competing					
Directly.....	34	41	47	128	118
Indirectly.....	38	51	60	887	1,228
FRUITS					
Citrus, domestic....	2,629	3,141	2,976	40,782	40,000
Imports.....	0	0	0	95	125
Others, domestic....	125	157	236	49,788	56,142

Green and Wax Bean Pack

The pack of both green and wax beans for 1937 was the largest on record. The green bean pack totaled 6,902,361 cases, compared with 5,097,456 cases last year, while the wax bean pack was 1,330,848 cases, compared with the 1936 pack of 924,517 cases. The pack, by States, is shown in the following table:

STATES	1936		1937	
	Green Cases	Wax Cases	Green Cases	Wax Cases
Me., Vt.....	117,713	163,931	147,418	210,499
New York.....	742,648	271,094	848,808	346,054
Md., Delaware..	1,540,570	27,568	1,539,728	33,201
Pennsylvania...	218,935	63,051	260,790	78,109
Indiana.....	96,854	(a)	153,978	(a)
Michigan.....	319,938	74,563	438,698	131,782
Wisconsin.....	405,531	184,873	562,681	318,848
Iowa.....	8,213	6,660	53,009	19,944
Ky., Tenn.....	90,349	(a)	187,196	(a)
Ark., Mo.....	58,740	3,525	186,201	26,740
Texas.....	91,476	150,922
Colorado.....	151,807	66,937	270,112	63,750
Utah.....	126,838	32,886	212,768	55,680
Washington....	151,458	243,746
Oregon.....	574,315	11,668	839,014	23,137
California.....	136,676	413,176	(a)
Other States...	265,395	17,761	394,116	23,104
Total.....	5,097,456	924,517	6,902,361	1,330,848

a Included in "Other States."

United States Takes Most Japanese Canned Crab

Exports of canned crab from Japan to continental United States in the first ten months of 1937 totaled 194,175 cases, compared with 135,861 cases in the corresponding period of 1936. This makes the United States the first-ranking foreign market, according to the American commercial attache at Tokyo.

Great Britain took 74,975 cases of crab packed in Japan during the ten-month period against 101,928 cases in 1936, while France absorbed 19,693 cases against 12,568 cases.

Formation of Japanese-Mexican Fishery Company Postponed

The proposed establishment of a Japanese-Mexican Fishery Company, arrangements for which were completed during the first half of 1937, has been indefinitely postponed due to the inability of the Japanese industrialists to furnish their portion of the required capital, according to a report by the American commercial attache at Tokyo.

The new firm was to be capitalized at 500,000 pesos (approximately \$135,000) and was to be distributed equally between the Japan Marine Products Co. and the Mexican group. The Japanese firm was unable to furnish their portion of the capital because the exchange control law which is now in effect in Japan will not permit the use of funds for this purpose.

Inspection of Canned Oysters

Certain packers operating under the Shrimp Inspection Service of the Food and Drug Administration requested that

a combined shrimp and oyster inspection service be made available. In response to this request, the Food and Drug Administration issued under date of December 23rd tentative regulations for extending shrimp inspection service to inspection of oysters for canning in the same establishment. Copies of these tentative regulations may be obtained on request to the Food and Drug Administration, U. S. Department of Agriculture, Washington, D. C. It was also announced if oyster canners who do not can shrimp desire to consider the inauguration of an inspection service and will signify their interest, tentative regulations applicable to canned oysters alone will be prepared and hearings held.

Granite Industry Wages Under Walsh-Healey Act

A ten dollar a week minimum wage differential to be effective January 15, 1938, between the Northern, Central, and Southern States has been established for the dimension granite industry by a decision of the Secretary of Labor approving, pursuant to the Walsh-Healey government contracts act, findings of the Public Contracts Board as to the prevailing minimum wages in that industry.

The established minimum wages for employees engaged in the performance of contracts with agencies of the Federal government for the manufacture of dimension granite are as follows:

(1) In Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut and New York: 57.5 cents per hour or \$23 per week, based on a 40-hour week, arrived at either on a time or piece-work basis.

(2) In Pennsylvania, Maryland, Wisconsin, Minnesota, South Dakota and all other states not included in paragraph (1) above or paragraph (3) below: 42.5 cents per hour or \$17.00 per week based on a 40-hour week arrived at either on a time or piece-work basis.

(3) In North Carolina, Virginia, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Arkansas and Texas: 32.5 cents per hour or \$13.00 per week based on a 40-hour week arrived at either on a time or piece-work basis.

JAPANESE CANNED FISH TRADE

Heavy Gains Made in Sardine Shipments at Expense of American Producers

Official Japanese statistics show that exports of tomato sardines from that country during the first 10 months of 1937 totaled 52,032,400 kin (1 kin equals 1.32277 pounds) valued at 8,035,680 yen, an increase of 46.3 per cent by volume over the corresponding period of the previous year, according to the American commercial attache at Tokyo. Exports of other sardines amounted to 11,593,900 kin, valued at 2,014,525 yen, a gain of 138.2 per cent.

The statistics of the Japan Tinned Sardine Exporters' Association give more detail than the government figures and show the exports in cases. According to the Association, exports for the first 10 months reached 1,218,556 cases. Although no comparative figure against the previous year is available, the total shipments during 1936 were only 1,110,873

cases, or 107,683 cases less than the exports for the first 10 months of 1937. It is now relatively certain that the Association will easily surpass the goal of 1,300,000 cases set at the beginning of the present year. Not only have Japanese sardines reached new markets but they have gained heavily at the expense of the American producers in the South Seas and southeastern Asia. The Philippines have been the largest purchasers of tomato sardines, having taken 272,919 cases so far this year. British Malaya and Burma have also received heavy shipments. Exports to China and Hongkong have completely ceased, owing to the hostilities in China, but this market is relatively insignificant.

The Japan Tinned Tomato Sardine Manufacturers' Association, at a meeting held during October, decided to continue production during 1938 at the same rate (1,423,403 cases) as 1937, and to apply relatively the same ratio among the members. This is rather important, as it indicates that there will be no very heavy drive toward increased exports during the coming year.

Canned salmon exports from Japan continued to increase during October as heavy shipments of the 1937 catch were made. Exports totaled 346,562 cases, an increase of 128,850 cases, or 59.2 per cent, over the previous month. The bulk of these shipments were made to Great Britain as usual. The United States received all exports to North America, which amounted to 1,250 cases, a slight gain over September.

Shipments of canned tuna and mackerel during September amounted to 23,554 cases, a decline of 11.8 per cent from the previous month according to the Canned Tuna Exporters' Association. This drop in exports was due to decreased shipments to the United States, which totaled only 7,975 cases, a drop of 35 per cent from August. Exports of mackerel amounted to 3,024 cases, as compared with 570 cases for the previous month. The United States has purchased 385,765 cases, or 72.5 per cent, of Japan's total shipments of canned tuna and mackerel for the first nine months of 1937.

It will be recalled that the limitation on shipments of canned tuna to the United States is placed at 350,000 cases, and is measured from the beginning of the Government fiscal year (April 1st). Figures for the first six months of that period show the total exports at 220,976 cases, or 63.1 per cent of the agreed allotment. The remaining 129,024 cases must be spread over the October to April period. This accounts in part for the heavy decline in shipments during recent months.

Complaint Issued Against Container Manufacturers

The Federal Trade Commission has issued a complaint against the Standard Container Manufacturers Association of Jacksonville, and 25 member companies making wooden containers for fruits and vegetables, charging them with combinations and agreements in restraint of trade through the fixing of uniform prices, terms, and discounts for their products, and other practices.

New Japanese Salmon Fishery Company Planned

A new Japanese company to control salmon catches and prevent reckless fishing is expected to be organized some time during next year, according to the American commercial

attache at Tokyo. The new concern, it is said, will be known as the North Kurile Fishery Control Co., and is to be capitalized at 10,000,000 yen. The Taikyo Fishery Co. is said to be backing the project.

Canners Admitted to Membership

The following named canners have been admitted to membership in the National Canners Association since December 11, 1937:

Blue River Packing Co., Morristown, Ind.
California Consolidated Canneries, Inc., Los Angeles, Cal.
Frederick City Packing Co., Frederick, Md.
Paw Paw Canning Co., Paw Paw, Mich.
Plainwell Canning Co., Plainwell, Mich.
Tilghman Canning & Packing Co., Rock Hall, Md.
United States Products Corp., San Jose, Calif.
Washington Packers, Inc., Sumner, Wash.

Pineapple Canning in Haiti

The only firm interested in the commercial exportation of pineapples, grapefruit and grapefruit juice in cans is the Haytian Pineapple Company at Cap Haitian, according to the American consul at Port-au-Prince. This concern is able to pack approximately 2,000 cases per day or 200,000 cases for the season. Approximately 50,000 cans of juice are produced.

This firm is engaged exclusively in wholesale business for export and practically none of the product is sold locally. At present the factory is not running as the produce of the plantation is being shipped as fresh fruit.

Florida Canned Citrus Shipments to Coast

Shipments of canned citrus fruit from Florida to Pacific Coast points during November totaled 8,543 cases, according to the Jacksonville office of the Bureau of Foreign and Domestic Commerce. The shipments included 1,300 cases of grapefruit and orange juice, 5,682 cases of grapefruit, and 1,561 cases of grapefruit juice.

CONTENTS

	PAGE
A.A.A. to buy canned peas	5431
Another broadcast on canning	5431
Dr. Carothers to speak at convention	5431
Congress summary	5431
Brokerage decision	5432
Trade practice rules promulgated	5432
The label and what it represents	5432
Forecast of freight movement	5432
Fruit and vegetable market competition	5432
Green and wax bean pack	5433
United States takes most Japanese canned crab	5433
Formation of Japanese-Mexican Fishery Company postponed	5433
Inspection of canned oysters	5433
Granite industry wages under Walsh-Healey Act	5433
Japanese canned fish trade	5433
Complaint issued against container manufacturers	5434
New Japanese salmon fishery company planned	5434
Canners admitted to membership	5434
Pineapple canning in Haiti	5434
Florida canned citrus shipments to coast	5434